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DP/PROJECTS/7131

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
VENEZUELA

IPF:(1987-91) $ 5 100 000

(VEN/91/012) - Transport Pre-investment Programme

Date of approval by the AC:[1]	4 September 1991
Expected duration:	18 months
Proposed executing agency:	Government
Government implementing agency:	Ministry of Transport and Communications
Proposed UNDP contribution:	$ 10 500 Source of funds:IPF
Government cost sharing:	$ 4 100 900
Total UNDP budget:	$ 4 111 400

Project background

The decade of the 1970s began with a large inflow of oil export revenues which the Government of Venezuela used for investment programmes in several sectors of the economy without a detailed economic and social evaluation. The drop in oil prices, towards the end of that decade, forced the country to incur in external and fiscal deficits but it did not change the way public investments were decided. In February 1989, the Government began an important programme to transform the national economy that included a National Investment Plan approved in 1990 and which was considered an essential step to promote social and economic development of the country. The implementation of this plan requires an improvement in the organization and managerial capacity of the Government to handle in a systematic and integrated way all issues involved in the investment project cycle.

In order to improve this situation the Government signed in 1990, a loan agreement with the World Bank for (US)$30 million to financed pre-investment activities and the strengthening of those institutions involved in major public investment programmes. In this context, the amount of (US)$ 4.5 million has been allocated to the transportation sector where the lack of basic studies hinder the formulation and implementation of coherent development strategies for the sector. At the same time and in order to ensure the co-ordination of the different institutions involved in the transportation sector, the Government created in 1990 the Venezuelan Council of Transportation which has already structured an integrated policy for the sector. Furthermore, the Council has began introducing changes in the way the public sector carries out pre-investment and investment activities. The formulation of investment projects for roads maintenance, urban and inter-urban transport, freight and medium and long- term investment programmes have been

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identified as priority areas that need immediate attention.

The Government has therefore requested UNDP assistance to strengthen the Ministry of Transport and Communication in the area of pre-investment programmes.

Description of project

The proposed project will contribute to the achievement of the first objective of the Fourth Country Programme and also to the first concentration area foreseen in the Fifth Country Programme which is to support the decentralization of the public sector and strengthening the management capacity of the State. The immediate objectives ofthe project are to:(a) improve the technical capacity of the Ministry of Transport and Communication to plan and design investment projects, including methods, systems and procedures for project planning and evaluation; (b) optimize inter-urban transportation with emphasis in freight transportation systems and maintenance and re-habilitation of inter-urban roads through studies and baseline surveys which will allow the preparation of investment programmes and loan requests; and (c) develop the flow of traffic in seven important cities through the definition of concrete measures and the preparation of a complementary investment programme.

Inputs

UNDP will provide 37.5 work-months of international and national professional personnel in urban transportation, roads maintenance and privatization; sub-contracts for the preparation of national and urban studies as well as planning, evaluation and budgetary systems; training programmes in transportation planning, traffic engineering, design of roads projects, project evaluation and use of computers and information systems; equipment for information systems and 35 micro-computers; and travel, mission, reporting and sundry costs.

Financial data

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Personnel	421 500
Subcontract	3 595 600
Training	33 000
Equipment	58 000
Miscellaneous	3 300
Total	4 111 400

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
VENEZUELA

INDIANA UNIVERSITY
GL DEPT.

IPF:(1987-91) $ 5 100 000

(VEN/91/013) - Development and Reorganization of the Water and Sanitation System

Date of approval by the AC:[1/]	4 September 1991
Expected duration:	Three years
Proposed executing agency:	Government
Government implementing agency:	Ministry of the Environment and Renewable Natural Resources(MARNR)
Proposed UNDP contribution:	Nil Source of funds: IPF
Government cost sharing:	$ 4 400 000
Total UNDP budget:	$ 4 400 000

Project background

The administration of the water and sewage system in Venezuela has been the responsibility of the National Institute for Sanitation Works (INOS). This sector is in a serious institutional and financial crisis due to a large extent to the priority given to the implementation of very large-scale projects over the rehabilitation of existing systems and their operation and maintenance. Tariffs for water and sewage services were established in 1981 and do not cover the current cost of the services. The system of invoicing and collection of revenues is very inefficient, with the result that the Central Government has to finance not only capital expenditures but also operation and management costs.

In February 1989, the Government began an important programme to transform the country placing particular emphasis in the reform of the public sector. Furthermore, The VIII Development Plan foresees capital investments in the order of (US)$ 3 billion for the water and sanitation sector between 1991 and 1993. Considering the situation of this sector, the Ministry of the Environment and Renewable Natural Resources (MARNR) has already taken some measures to decentralize water and sanitation services with the creation of regional enterprises (HIDROS) and has requested financial assistance from the World Bank to implement a programme to change the operational and administrative structure of the sector. The MARNR and the World Bank have agreed that in order to improve the sector, it is necessary to: (1) reorganize the institutional structure which is excessively centralized; (2) adopt a new financial policy including adequate tariffs to insure that the new decentralized enterprises will be financially self-sufficient; and (3) analyze future investment carefully in this sector to insure the optimal use of the resources. The Government of Venezuela has to prepare background studies and materials that are necessary for the implementation of some

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measures in order to obtain a loan from the World Bank for the restructuring of the sector.

The Government has therefore requested UNDP to assist the MARNR in the preparation of the required studies taking into account the successful involvement of the organization with this ministry in the past and the recent assistance in this sector under the projects (VEN/90/020) Institutional Development and Reorganization of the Water Sector and (VEN/90/002) Participation of Communities Organized in the Sanitation and Recovery of the River Basin Tuy.

Description of project

The proposed project will contribute to the achievement of the fourth objective of the Fourth Country Programme and also to the first and third concentration areas foreseen in the Fifth Country Programme which are to support the decentralization of the public sector and the development of natural resources and the protection of the environment.

The immediate objectives of the project are to: (a) make available reliable and updated information on the state of water supply and sewage systems; (b) design a rehabilitation plan to allow future expansions of the water supply and sewage systems of the Capital Region; (c) present a financial analysis of the sector and corresponding tariff proposals; (d) establish the basis for the implementation of an adequate organizational structure for the creation of independent agencies for the river Tuy and Maracaibo lake basins; and (e) prepare key personnel of the Ministry for the institutional development and reorganization of the sector.

Inputs

UNDP will provide 202 work-months of international and national professional personnel in institutional development, project evaluation, commercial systems, water and sanitation engineering and water treatment plants; sub-contracts for the preparation of a national survey of the existing systems, personnel management systems, a rehabilitation plan, and an environmental protection plan for the Maracaibo lake; training programmes and study tours for 32 professionals; automatic measurement systems for water and sewage control and evaluation, specialized hardware and software systems, and vehicles; and administrative support; and miscellaneous costs.

Financial data

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Personnel	1 114 800
Subcontract	2 675 200
Training	100 000
Equipment	480 000
Miscellaneous	30 000
Total	4 400 000

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
CHINA

IPF:(1987-91) $189 499 000

(CPR/91/541) - Improved International Business Management and Administration at the Provincial Level

Date of approval by the AC:[1/]	28 August 1991
Expected duration:	48 months
Proposed executing agency:	Government
Government implementing agency:	China International Center for Economic and Technical Exchanges (CICETE)
Proposed UNDP contribution:	$1 591 000 Source of funds: IPF
Total UNDP budget:	$1 591 000

Project background

While statistics indicate that China's (and more particularly, Shandong and Jiangxi's) foreign economic relations are advancing in a rapid fashion, closer examination reveals that growth over the past few years has been accompanied by the emergence of several structural and operational weaknesses. None is more evident than the lack of an adequate understanding among Chinese foreign business practitioners of international commercial concepts, systems and processes, practices and procedures. The vast majority of officials now responsible for the management of foreign economic relations and trade at the provincial level worked previously either in non-economic sectors or in state-owned, collective industries/enterprises. These officials are consequently unfamiliar with the operations of corporate organizations whose viability relies on market forces.

The provincial training organizations available to these practitioners do not have the competence to provide the specialized, applied training that is needed. The absence of training capacity at the local level will hamper the continued rapid development of trade, foreign investment and other international relationships. Efforts to correct the situation have, to date, be directed to longer-term issues of improving the pre-career training available at university and training institutes. To seek improved International Business Management and Administration at the Provincial Level, the Government has requested UNDP assistance under the present approval.

Description of project

The long-term objectives of the project are to: (a) create a full-time in-house

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capacity within both the Shandong and Jiangxi Training Centers to design, manage and take the main responsibility for the conduct of general and specialized in-career training in international business; and (b) supplement each Center's in-house training capacity with part-time trainers (drawn from the operational managers involved with trade issues) capable of, committed to providing the more specialized training required. The immediate objectives of the project are to: (a) enable the Centers to each represent tested models which may be refined for possible application in other provinces; (b) train full-time and part-time trainers; (c) reinforce appropriate managerial and planning systems, local training materials development, and linkages between each center and local business community; (d) design and test high-priority training programmes as foundation for each center's activities; (e) disseminate an analysis of each of the above components to other training centers; and (f) plan, co-ordinate and implement functions of the Project Management Committee chaired by CICETE.

Inputs

UNDP will provide 28.3 work-months of international expertise in training and course design for Basic Foundation Course in International Business plus specialized training in training needs analysis, business analysis, management, case writing, training methods, internships placement, and specific business topics; 74.5 work-months for national trainers in similar topics including 42.5 work-months for specific business topics; sub-contracts for five short-term specialized executive-level training programmes in Hong Kong and Singapore in business management; group training and study tours on management of training institutions, business research/internship and business contacts; and training equipment and materials for training centers.

Financial data

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Personnel	511 700
Subcontract	250 000
Training	560 000
Equipment	269 300
Total	1 591 000

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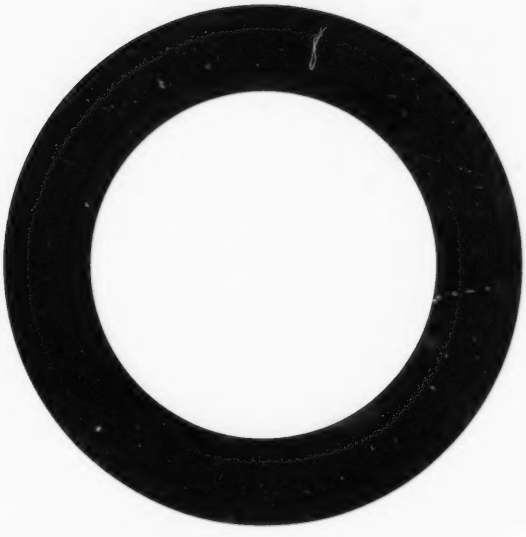

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
SRI LANKA

IPF:(1987-91) $50 000 000

(SRL/89/007) - Development of Social Security

Date of approval by the AC:[1/]	28 August 1991
Expected duration:	Three Years
Proposed executing agency:	ILO
Government implementing agency:	Social Security Board (Ministry of Labor & Vocational Training)
Proposed UNDP contribution:	$833 800 Source of funds: IPF

Project background

The lack of a national social security protection system in Sri Lanka has complicated the Government's efforts to restructure the economy. The unavailability of pension schemes and other social security benefits in most private sector employment, the inadequacy and low standard of existing social security benefits, scattered responsibility for sector programmes, the lack of comprehensive planning, the lack of protective legislation for Sri Lankan workers abroad, and ineffective targeting of relief and public assistance schemes have prompted the Government to take measures to provide more comprehensive, effective and efficient systems of social security protection for employees, the self-employed, and nationals working abroad.

Efforts to achieve this objective are reflected in more than a decade of study, review and tripartite discussions between employers' representatives, trade unions and Government. Several conferences and workshops were held and a UNDP financed, ILO executed technical assistance project took place in 1982/83 to design a social insurance pension scheme. Recent structural adjustment policies recommended by the World Bank aiming at rationalizing the public sector, reducing its claim on resources and supporting development of the private sector have given these efforts greater significance and impetus. The World Bank has made conversion of the Employees Provident Fund (EPF) into an Employees Pension Scheme (EPS) a condition for release of the second tranche of its Economic Restructuring Credit.

In 1989 the Cabinet approved this conversion as a first stage in establishing a National Social Security Scheme to be followed by the incorporation of Government subsidized schemes and the creation of a government funded scheme to provide social security benefits to those who are unable to contribute.

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UNDP's past involvement and its commitment to the infrastructure development as applied to social welfare under the Fourth Country Programme justify UNDP's assistance. To this end, the Government has requested UNDP assistance under the present approval.

Description of project

The development objective of the project is to provide more comprehensive, effective and efficient systems of social security protection for employees, the self-employed and nationals working abroad.

The immediate objectives of the project are to: (a) upgrade the administrative performance of the EPF under the Social Security Board for introduction of the EPS; (b) develop the capacity of the Social Security Board (SSB) to organize and administer the EPS; and (c) complete plans covering policy, technical and financial aspects for further phases of development of the National Social Security Scheme.

Project activities will include: (a) conducting administrative re-organization and procedures of the EPF and SSB; (b) establishing an operational plan to overcome present short-comings; (c) improving efficiency in enforcement, contribution processing and claim settlement, staff training in EPF and SSB and the establishment of a training department in the SSB; (d) conducting a feasibility study on computerization of the EPS administration; (e) training staff in pension administration and computer programming; (f) establishment of an EPS computer system, a computer section in the SSB, and a draft Social Insurance Scheme for employment, injury, sickness and maternity; (g) revision of regulations of the Social Security Benefit Act; (h) making recommendations regarding the farmers and fishermen pension schemes; and (i) preparing proposals for Social Security Protection of Sri Lankans working in the Middle East and a programme for development of the National Social Security Scheme.

Inputs

UNDP will provide 24 work-months for a project co-ordinator/expert in social insurance, 12 work-months for an expert in social security computerization, nine work-months for an expert in social security training, four work-months for a social security actuary, four work-months for a consultant in social security planning, 26 work-months of national consultancies in the fields of data base systems, staff training, EDP systems and EDP training; 20 short-term fellowships in developing countries in Asia; four study tours, in-service training; training and office equipment; administrative support, duty travel and mission costs; and miscellaneous costs.

Financial data

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Personnel	590 600
Training	163 300
Equipment	68 500
Miscellaneous	11 400
Total	833 800